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## THE NORTHWESTERN UNIVERSITY SCHOOL OF COMMERCE

University instruction in business may find its justification either from a cultural or from a professional viewpoint. When its place in higher education is fully established, it will probably be found to qualify in both these ways. Irrespective of the feasibility of offering definite professional training for a business career, the fundamental facts and relationships of business would seem to have an essential place in the cultural equipment of an educated business man. Consciously or unconsciously, this thought doubtless has been influential in developing the policy of those colleges and universities where business courses have been featured. Inability to make such courses strictly professional in the sense of furnishing a recognized and indispensable training for business is sufficient reason why the courses have been slow to crystallize and to take their place alongside of legal, medical, and engineering study as an integral part of higher education.

The immediate purpose in establishing the Northwestern University School of Commerce was to give in evening courses an opportunity for capable and ambitious employees to pursue business subjects from the point of view of foundation principles—a purpose essentially cultural. An ultimate and more fundamental purpose was to develop, as rapidly as resources and the advance of business science would permit, a course for students not yet employed, with standards and professional aims comparable with those of the older professional schools.

The evening work, which has been in progress since 1908, is similar in subject-matter and in organization of courses to that of the evening schools earlier established at New York University and the University of Pennsylvania. If my impression of the several university evening schools is correct, their essential differences, so far as these can be described, have to do with their relations, actual or contemplated, to a general scheme of professional

business training. There are also differences in their administrative and educational connections with the college, and, finally, there are doubtless important differences concerning the features and policies to receive special emphasis.

At the time the School of Commerce was established at Northwestern, the evening work was regarded as a first step in what we hoped would be a more ambitious expansion. Having a building in the central business district of Chicago, the university felt in duty bound to make the most effective educational use of it. It was believed that a school which would attract young business men would be well worth while, irrespective of possible further developments. It was obvious, however, that the kind of school we had in mind would give us an opportunity to study the problems which confront able and progressive employees. At the same time, it was felt that some form of co-operation with employers should be established, not only, nor even primarily, for their financial support but in order to secure a balance of viewpoints essential to rational progress with the larger idea of a concrete professional training.

The importance attached to the viewpoint of the employee will appear in discussing the operation of the school. Co-operation with employers was secured through a board of guarantors made up from the membership of the Chicago Association of Commerce and the Illinois Society of Certified Public Accountants. Both of these societies officially indorsed the plan of operation, and the guarantors assumed financial responsibility for the school during a period of three years. The total demand on the guarantors was less than four thousand dollars, and at the end of the guaranty period evening work was practically established on a self-supporting basis. The direct financial contribution of the guarantors, therefore, was perhaps the smallest element of their support. Of far greater importance was the benefit of their counsel and the facilities offered by several of them for securing business material. Their moral support, moreover, was a large influence in bringing students to the school.

Courses given during the first year were confined to accounting (two courses), business law, finance (two courses), and economics.

The reason for the selection was primarily the same which has governed the addition of new courses since that time, namely, the "teachability" of the subjects, our own preparation to teach them, and, finally, in individual cases, the demand. An effort has been made to postpone courses in particular fields until there has been collected and digested a body of facts and principles—the facts leading to, and illustrating, the principles—arranged for presentation in a systematic and scientific way. This does not mean that the presentation of a business subject is to await complete knowledge or is to be deferred until every principle set forth is absolutely established beyond doubt. The courses, however, should give the student a reasonably comprehensive body of material; they should involve definite principles; in short, they should have a scientific and cultural content calculated to develop correct processes of thought upon a significant business subject. It goes without saying that the particular teacher should master the field before attempting to teach it.

At present we are offering, in addition to the original subjects, courses in organization and management, investments, resources and trade, transportation, and business psychology. Besides the exclusively business subjects, work is offered in English and public speaking and in foreign languages. The demand criterion above mentioned has applied primarily to language courses.

Although courses in the fields which Professor Gay has so well called the "periphery of business" have long been comparatively well developed, it was assumed at the time the Northwestern school was established that a greater part of the material for teaching business proper was still to be assembled and that the methods of instruction had still to be worked out. We have further taken the attitude that the assembling and analyzing of this material must be the work primarily of teachers and investigators and that the faculty and working staff of a school of business has to be drawn largely from among university-trained men. With this thought in mind we were not inclined at the start to emphasize too strongly the "practical" or "fact" side of courses, or, as teachers, to disturb any more than necessary our moorings with general college work and college standards.

In order that there might be something tangible to which the interest and support of business men might attach, and in order to give a desirable flexibility in developing policy, the establishment of a separate school was successfully urged. The school is, however, essentially an off-shoot of the economics work in the university, and up to the present time co-operation between the two lines of work has been as close as a personal connection in their administration and a largely overlapping teaching force would naturally make it. In recruiting the staff of the school, moreover, every effort has been made to find persons who possessed, first of all, the regularly accepted academic standards of preparation. Needless to add, in a school appealing, as we have appealed, exclusively to business men, academic preparation would not suffice unless there were combined with it a taste and an aptitude for business association coupled with an ability to comprehend and interpret practical business situations.

Of eighteen persons now on the faculty of the school, eight are regular members of the college faculty, two are members of the law faculty, one is a professor at the University of Chicago, another at Armour Institute. Only four have been drawn from practical business, and of these, two have severed their business connections and are giving their full time to the school.

The selection of teachers with reference to their academic preparation does not mean that the School of Commerce is merely an expansion of college work in economics or that its methods and point of approach to subjects are confined to those which have been tried out in college instruction. It does mean that in our opinion a background of successful college experience and of the training in accurate observation and careful discrimination which is secured by the better products of university graduate departments, constitutes the kind of equipment which will be necessary in working out standards in a new field. The enumeration just given shows that we do not rely exclusively upon academic men. It is not, however, accidental that the atmosphere of the school is dominated by the men who are primarily university teachers.

Aside from questions concerning courses and teachers, in a measure common to all schools, there are two matters which present

peculiar difficulties in the university evening school of business. These are, in the first place, selecting the right type of students, and, secondly, maintaining university standards. On the basis of our experience to date, policies calculated to secure these ends have taken fairly definite shape.

While a school conducted as a university extension cannot wisely adopt the formal entrance requirements of the college, it is not justified, in my opinion, in making an indiscriminate appeal, nor is this wise financial policy. Although, as in other schools, a certain amount of the selection must result from the experience of the classroom, an effort should be made to admit no one who has not a reasonable prospect that he can pursue the work with profit. In order that courses may be successfully maintained on a university plane, a very definite selective process must operate before registration.

The methods of making this selection which we have found most effective at Northwestern are a fairly high rate of tuition, publicity carefully addressed to the type of students we desire to attract, insistence on a somewhat detailed written statement of the student's training and experience, exclusion of all students under twenty-one who are unable to satisfy college-entrance requirements, and, finally, a careful interviewing of all prospective students.

When the school was opened, in 1908, admission was granted to persons over eighteen years of age, and the publicity given to the courses was not formulated with any particular attention to its selective influence. The experience of the first two years showed that a considerable number of persons were being admitted who were unable to carry the work with profit. Careful analysis of the list of persons who did not return for the second semester showed that the dropping out centered very largely upon persons under twenty-one years of age. Beginning with the year 1911-12, students under twenty-one years of age are not admitted unless they are able to satisfy full college-entrance requirements.

An attempt has been made to record, before registration, the manner in which the student has had his attention brought to the school. While there are many omissions in this inquiry, analysis of replies enables us to draw the conclusion that careful, discriminat-

ing publicity, as distinct from general publicity, has a very large selective influence. As result of these observations, the policy has been adopted of making all statements concerning the school, whether in bulletins, newspapers, or other public announcements, carry on their face an appeal merely to persons of maturity and of some degree of experience and training.

It is only with the current year that it has been possible for a member of the faculty to interview practically all students prior to admission. The purpose of such an interview is not only to eliminate students who ought not to enter, but to get those who do enter established in courses best suited to their training and needs; specifically to persuade students to postpone highly specialized courses until they have secured some foundation work in studies of a more general nature. By means of the interview, moreover, it is possible to adjust the amount of work taken by each student to the demands which his regular employment makes upon his time and energy; also to work out a definite plan of study either for the single year or for a number of years, and thus insure that there is an element of purpose in the student's work.

As regards previous education, the records of students from year to year have shown a gradual advance. Of the 471 registered for the first semester of the current year, 16 are university graduates; 237 graduates of high school; 9 have had three years, 27 two years, 25 one year in high school, and 157 have had educational opportunities represented by less than one year in high school. In other words, about 55 per cent have had a high-school education or better, while 34 per cent have had less than a single year in high school.

Experience shows that the demand for university evening work comes from the following classes of individuals: (a) men interested in particular courses; (b) men who would like to secure a comprehensive business training; (c) men who come on the general theory that education will do them good. In the first category, by far the greatest number are those who are already engaged in a particular line of business, and of these in turn much the largest class are the accountants; next to accountants come brokers and bond men, then advertising men, bank men, railroad men, and, in the organization courses, among others, managers and heads of departments.

The course in investments and the language classes also attract a considerable number of persons who are interested in the particular course, but not so much because of its connection with their own business as because it supplies a felt deficiency in their equipment.

The number of men interested in a comprehensive business training is not so large at the start as it later becomes. A large proportion of those who on general principles desire to increase their education and who are not eliminated during the first semester's work decide later to enrol for the diploma course, the nearest approach to a comprehensive training that the evening work affords.

Accomplishment with evening students is largely conditioned by the demands which their regular positions make upon their time and energy. It is not possible to expect so much time to be devoted to outside preparation as is required in college courses. On the other hand, the best one-fourth of an evening class, recruited as our classes are, will produce rather better results than college classes in the same subject. It is a universal experience of our teachers who are conducting evening-school and college classes at the same time that the interest and response given by the more mature minds is an inspiration exceedingly rare in college work.

From the very beginning of the school, a special effort has been made to cultivate the social side of the evening work and to develop acquaintance not only among the men themselves but with members of the faculty. In this way, we feel that we have been able to secure a pretty thorough grasp of the needs of employees and the kind of work which will best equip them for success in business careers. Our present conclusions on this point may be summed up in the word "principles." This does not mean that the task of securing material and assembling facts appears any less important than formerly; but it does mean that from our standpoint the service a university can render in assembling facts and in describing through class instruction the processes of business appears of comparatively little value except as the facts illustrate principles and as the principles in turn furnish the basis for a practical rule of action.



The fact that conclusions like the one just expressed rest upon experience with evening men has a large bearing upon our plans for further work. It means essentially that attention given to selecting evening students and to cultivating their relations with the school determines not only the quality of evening work but the place which the evening school may occupy in a more comprehensive scheme of business training. There is no thought that with the inauguration of a degree course the evening work will become subordinate. While, as in the past, academic recognition in the form of a degree will be confined to students who qualify in accord with recognized academic standards,<sup>1</sup> evening work for men already employed is expected to be an important factor in the success of the larger program. All plans for business training must recognize the viewpoint of the man in business, whether an employer or employee. In the absence of a numerous body of business school alumni, the employed student gives the largest opportunity for contact with the situation which the man just entering business has to meet. For this reason, if for no other, we regard the evening school as a fundamental element in our plans. Moreover, we shall try to impress the same viewpoint upon students in the day courses. The fact that employers and men of large business experience figure so largely in the membership of evening courses, will, it is expected, be sufficient to give the evening work the place it merits in the esteem of faculty and students. Although it will be impracticable and pedagogically unwise to have the bulk of work for degree students carried on in the same classes with the more mature evening men, an effort will be made so to adjust work as to bring each day student at some point in his course, into classes with students who have had business experience.

The evening school, as just set forth, has emphasized in our minds the contribution employed students may make to the success of our further plans; it has also confirmed our belief in a degree course closely linked up with the existing college course. A plan for such a course has already been adopted which, in so far

<sup>1</sup> Evening students who successfully complete twelve courses, four of them required, each covering two hours a week for one year, are awarded a diploma in Commerce.

as it provides for a combined five-year college and business course, is similar to the one in operation at the Tuck School.<sup>1</sup> Our thought in providing for such an integration with the college course is that, whatever the development of new subjects and of new avenues of approach to business problems, the spirit of discriminating inquiry and research found in university work will be an essential element in the success of a professional business course, at least during its period of development. Moreover, on broader educational grounds, the college course whatever its shortcomings is a recognized and essential part of American educational equipment. There seems to be no reason to question the wholesomeness of the present trend toward a combined college and professional course.

The first two years' work of this combined five-year course will be that ordinarily given in universities and colleges, and it is expected that in general it will include an elementary course in the principles of economics. Whether this requirement will be continued will depend upon the future development of the work. For the present, however, an effort to establish sequence in the courses of the third year—that is, the first year of business studies—makes it practically necessary that students shall have had economics before beginning the business course. The first year in business will largely be made up of elective college subjects, adapted to the needs of the business course and so selected as to give a general survey of the business field. We are considering at present the following tentative schedule:

*First Semester—*

Money and Banking . . . . .	4 hours
Corporation Finance . . . . .	4 hours
Resources and Trade . . . . .	4 hours
Psychology . . . . .	3 hours

*Second Semester—*

Accounting . . . . .	4 hours
Business Law . . . . .	4 hours
Transportation . . . . .	4 hours
Business Psychology . . . . .	3 hours

<sup>1</sup> In general purpose, the most important difference between the Tuck plan as described by Professor Person (*Journal of Political Economy*, XXI, 117) and the one proposed at Northwestern would seem to relate to the constitution of the third year's work. Under the Tuck plan, which takes the students at the end of the junior year, the effort seems to be to disturb the first three years of college work as little as possible. This effort in the Northwestern plan relates only to the first two years. The third year, while carried on largely in college classes, will be concerned with subjects set apart as the first year of the business course.

It is expected that this work will be given at Evanston. Except where division of sections is necessary, students will take their work in the same classes with regular college students. The question of developing a professional spirit under these circumstances is now receiving consideration, but it is hoped that a rigid selection of the students who are to be permitted to continue in the business course for the fourth and fifth years will produce, at least after the first year of operation, a competitive spirit that will make for serious work.

If our present plans for the fourth and fifth years are carried out, it will be desirable not to have the number of students continuing for those years increase too rapidly. This situation is expected to operate in the direction of a rigid elimination of indifferent material in the first-year (third college year) class. Students who complete the third year of work will be in a position to take up advanced courses in their particular field, and it is our plan so to schedule the work of the fourth and fifth years that students will be led to decide definitely as early as the beginning of the fourth year for what lines of business they wish to prepare.

The plan for the fourth year's work will provide for at most two, probably more often a single advanced course, in the special field; one course of a more general nature, which will be the same for all students, these two courses to occupy approximately one-half of the student's time. In addition to these there will usually be an opportunity for a free elective course say of three hours, the remaining five hours, or approximately one-third of the student's time, being taken up with seminary or research work in his special field. Whether this work shall be in the nature of a series of problems or be devoted to a single inquiry will be left with the student and the teacher to work out, but the dominating thought will be that the student shall begin in this year to make independent inquiry looking toward the solution of practical business problems.

For the fifth year it is our hope that some arrangement may be possible with business establishments whereby students may be employed, say on half-time, in the line of business which they intend to follow. We have not yet gone far enough to have any well-worked-out policy concerning the administration of this

feature. Whether we shall encourage men to accept positions irrespective of opportunities to study the particular business, or shall try to work out some arrangement whereby students will be given special attention has not been determined. My own prediction, however, is that whatever theories may underlie our procedure, the arrangements made will be very largely individual and take account of the situation of the particular student.

It would seem that two fairly definite results might be accomplished through an arrangement for employment before graduation; first, an acquaintance with the atmosphere and routine of a business establishment, and, second, an opportunity to secure material for an investigation or thesis in a particular business field, the same to be worked out under the direction of a member of the faculty. It goes without saying that the realization of this plan would involve not only the employment of the student but also some co-operation between the instructor and the employer. I trust that any criticism of this suggestion will take account of the fact that it is a suggestion merely, subject to modification or even to abandonment, if a better plan appears.

Whatever the plan adopted, whether it involves employment in the nature of apprenticeship or not, it is our thought that a large proportion, probably two-thirds, of the work of the fifth year shall be devoted to the individual study of practical problems connected with the business the student intends to enter. Our present idea is to have the students in the fifth year take one course besides the apprentice work and individual investigation. This should be preferably one involving the public relations of business—public finance and taxation, for instance, or municipal problems. Here again no attempt has been made to work out a definite schedule.

While, as I have tried to make plain, the details of our plan are still to be worked out, the principles have been pretty definitely determined. The Board of Trustees has already authorized the degree Bachelor in Business Administration, to be given for three years of business work following two years of college work. We have also decided to give a thorough trial to the principle of the general survey work in the first year (third college year), and to have all students, making adjustments for difference in preparation,

take the same work during that year. An effort will be made, moreover, to have some classes throughout the three years in which all the students shall come together. Professional business training will have to provide for so much divergence in the later years that some antidote should be supplied in order to maintain in the work a feeling of group unity.

The feature of the plan which, as it seems to me, is likely to meet with the most severe strain in practical operation is the provision for individual work during the fourth and fifth years. If we should be assailed with numbers, the plan would be difficult to execute; but should we be successful in passing on from the third year a really picked group, that fact in itself will tend to keep the numbers within bounds and will tremendously enhance the possibilities of individual work.

It is obvious that such a course as has been outlined would not succeed on a self-supporting basis. The plan is projected only on the assumption of adequate financial provision both for routine instruction and for the research required for continued development and enrichment of the course.

In conclusion, permit me to say a word concerning the desirability, from a public viewpoint, of segregating the field of business for special study. Professor Marshall has implied that the professional study of business would necessarily direct itself in large measure at least to the acquisitive side of business and that, as a corrective to this, simultaneous attention should be given to matters of public and social administration.<sup>1</sup> I am in entire sympathy with the proposition that emphasis must be placed upon the socially productive rather than upon the acquisitive aspects of any subject whether it be business, agriculture, law, medicine, or any other human pursuit. I am not, however, convinced that it is impracticable to develop work in business administration with a constant emphasis upon the public and social aspects of business. Indeed, if my analysis of present conditions is correct, the only kind of training which will make for continued efficiency in business is a training which carries with it a capacity to grasp the ultimate and public aspects of business situations and to harmonize efficiency with considerations of public welfare.

<sup>1</sup> Cf. *Journal of Political Economy*, XXI, 101.

If we apply to business the scientific and cultural methods employed in the best university instruction, I am of the opinion that we shall not only promote efficiency through the development of definite professional standards, but that in the long run we shall go far toward removing the conflict between business and ethics. Further, it seems to me not improbable that, whether or not we include public and social administration in the titles given to our several schools, we shall find that consideration of these subjects will become more and more essential to a really comprehensive study of business. These subjects in turn may perhaps gain in repute and effectiveness through association with the study of business and business efficiency.

After all, the greatest problem from a public point of view, which the study of business in a fundamental way may help to solve, is the problem of national efficiency. While we recognize the need of studying business from the point of view of the individual who wishes to make himself efficient, it may be doubted whether the subject will ever become an important factor in national education unless it is able to justify itself from the point of view of the community as a whole.

Business efficiency must be interpreted to mean not only the ability to earn dividends but likewise economical use of the materials and instrumentalities through which production is carried on. This means conservation—conservation of resources and conservation of men—a field in which the public, the social, and the business activities ought to converge. Unless our study in all of these fields results in enforcing the idea of efficiency, and unless there is coupled with that considerations of public welfare, results all along the line will be far short of what is needed. In view of all of these facts, it seems to me clear, not only that the several subjects suggested by Professor Marshall should be carried on in common, but also, in the very nature of things, that all of them must and will be given some attention in business schools, not so much as a corrective to dangerous tendencies as because consideration of them is essential to efficiency in the highest sense.

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